Previous references.

1900-11

(Banking)

File No. 17-10

Serial Nos. 1-3

Later references.

Bank 18-11 & 1613. Bsepth2—

[illegible]

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1-3.

Part B. for October 1910

SUBJECT.

Concerning in the opinion of the Registrar of Co-operative Societies that Govt. need not specially encourage the establishment of Co-operative Grain Banks in the State.

1. To the Registrar of Cooperative Societies No. 2E. 212d. 16-7-10
Requests him to report on the proposal contained in Dasara Subject No. 144 re: the estt of Grain Banks in the State.

2. From the Registrar. No. 256/C.S.102 d. 2-9-10
Encloses a copy of memorandum prepared by him on the subject.

3 ~~G.R.S. 68~~ To the Registrar of Cooperative Societies & Deputy Commrs of Districts No 2E. 1890-8 d. 8-10-10
Records the report ~~of~~ [illegible] in the above case of the Registrar

G.R.S. 11] 1910:11

GENERAL AND REVENUE SECRETARIAT.

(Bankid

NOTES.

File No. 17

FILE HEADING.

Re establishment of Grain Banks.

From

No.	Dated	Received

Diary No.	Enclos.	Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

NOTES—First sheet.

GPB -30,000—20-3-06.

G.R.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record]

Dasara subject No 144
re establt of grain
banks.

~~Copy~~ This may be communicated to the Registrar for report as to the feasibility of the proposal.
Draft ruled
Dsk
14/7

Done
14/7/10

To the Registrar of Co-operative Societies
No H212 of 16-7-10
Requests him to
report on the pro-
posal contained in
Dasara subject No 144
re the establt of
grain Banks in the
Kolar

N B—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

GPB—35,000—21-4-09

G.R.S. 13

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

From the Registrar
of Co-operative
Societies
No 256/Co 02/2.9.10

Encloses copy of
memorandum prepared by him on
the system & states
that the cash Banks
will meet all the
requirements of the
Villagers but a rain
store may be added
to these cash Banks
as an adjunct in
case where it may
be considered needed
& that there appears
to be no need for Govt
to afford any encourage-
ment to grain Banks—
as the facilities already

N B --Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

given for obtaining
Govt loan by Societies
are ample.

From the Registrar

GPB—35,000—21-4-09

G.R.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record]

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letter it would seem that there are no ~~at~~ possibilities of these institutions becoming popular: on account of the inherent superior advantages of cash forwarded over grain Bonus.

hrk
14/9/10.

mr 15/9/10

There are some practical difficulties in the way. Having only 3 main banks & what is really wanted for the Rajah's Harvest Cash, and with Landless labourers again, Can easily see ~~the~~ difficulty of establishing a Co-operative Society doing both banking & distributing business. A main bank does not seem to be very necessary.

(Mr Lees)

13.9.10

Draft Letter
hrk
15/9

mr 16/9/10

N B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

Put up draft recording Rep's letter with the observations that ~~but~~ I concur in the views expressed

14/9/10

Draft

h
16/9/10

(Mr Lees)

h
16/9/10

G.R.S.—35,000—21-4-09

G.R.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

8121
28.9.10

Dewan

To the Registrar of Cooperative Societies
& Ex Officio
Dy Commr
of Dts.

Re H 1890-8 of 8.10.10
Records the reasons
agreeing with the
views entertained
by the Registrar

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

GPB—35,000—21-4-09

G.R.S. 26] 4

File No.

Serial No. 1

Diary No. of letter replied to _____

No. H212

16-7-1910

General and Revenue Secretariat

( )

, the 190

To

The Registrar of Co-operative Societies

Date of issue 16 July 1910

Signed by W Lakshmi

Under Secretary

Sir,

I am directed to forward herewith for report as to the feasibility & desirability of the proposal contained in Govt. Memo. subject No. 144 relating to the establishment of Grain Banks in the State.

I have etc.

16.7.10

for Secy.

over.

SUBJECT.

B. 15

OFFICE OF THE REGISTRAR OF

CO-OPERATIVE SOCIETIES IN MYSORE.

No. 256/C.S.102

Dated Bangalore, 1st September 1910.

From

M. Shama Rao, Esq., M. A.
Registrar of Co-operative
Societies in Mysore.

To

C. S. Balasundarum Iyer, Esq., B. A.
Offg. Secretary to the Government of H. H. the
Maharaja of Mysore, General and Revenue Depts.

Sir,

With reference to your letter No.Fl.212 dated 16th July 1910, forwarding for report Dasara Subject No.144 of last year viz., the establishment of grain banks in the State, I have the honor to state that the proposal made by Mr. A. Ramanna refers to two points:- (1) Storing large quantities of ragi in selected places and (2) encouraging the establishment of grain banks by Government taking some shares.

2. Regarding the first point, I believe, Mr. Ramanna, when he made the proposal had apparently in view the creation of a store as a ready provision against famine in the future. In these days of easy transit and universal market, I do not think such a store is needed. During the recent drought in Mysore, Burmah rice was sold in the markets even cheaper than local rice in ordinary seasons and what was really lacking was dearth of money to purchase the article and not the dearth of the article itself. The Famine Code makes ample provision for the supply of the needed funds to those requiring relief in a time of scarcity and as a measure of famine protection, I do not think a store is a necessity at all

B 17-10

II 3/9 1001 1910-11 (2)

From

The Registrar, Co-operative Societies in Mysore.

To

The offg. Secy. to the Govt. of H.H. the Maharaja of Mysore, Genl. & Revenue Depts.

Dated *Bangalore 21st September 1910.*

Despatched

Received

General No. *256*

No. *C.S. 102*

Enclosure No. *one*

Submits his report on the proposal contained in Darbar Subject No. 144 viz. the establishment of Grain Banks in the State.

GPB—75 reams—25-5-10

all as it was in the olden days when there did not exist a net-work of railways in India as at present and when steam power was unknown and the world was still a vast expanse of untapped markets.

3. Coming to the second point, I beg to state that the enclosed note on grain banks was submitted by me to the Conference of Registrars of Co-operative Societies held at Simla in November 1906 and after discussion the Conference was unanimously of opinion that honest and effective management and appropriate storage were essential conditions for co-operative grain banks, that these conditions presented difficulties which in the majority of instances it would be impossible to overcome and that where a grain bank was started a concomitant cash bank was a necessity.

4. In the Mysore State it is found that several of the agriculturists require grain for their maintenance for about three or four months in the year just before their harvest is gathered and this they borrow from their well-to-do neighbours in the village, returning the borrowed quantity immediately after the harvest, together with interest at, generally 25 per cent whatever the period may be. The majority of the agriculturists are however always found to be in need of money to pay up their Kandayam Khists, for purchasing seed, manure, cattle etc., for the improvement of land and above all, for paying off old debts. To meet the above demands they are forced to borrow money constantly after paying very heavy rates of interest, so much so as at times, to make their calling an unremunerative one.

5. A grain bank started in a village will be useful only so far as it can meet the demand for loans of grain for maintenance purposes. The raiyat has to look to some other agency for help when he wants cash loans. Besides the grain collections in a grain bank by way of deposits, shares etc., after a certain time become enormous and it becomes a problem for the Punchayat of the bank to find suitable places for storing the accumulated

accumulated grain . The grain bank at Kotta in the Sira Taluk is actually experiencing this difficulty. As the grains collected may not be of a uniform quality, different places for storing them may also be needed.A grain bank, as has already been said, also requires more watchful management than a cash bank.

6. I am therefore of opinion that a cash bank started in a village will meet all the requirements of the agriculturists, a small grain store to be replenished annually wherever suitable conditions are present, being added as an adjunct to the cash bank, in order to afford facilities for the members to borrow grain for their maintenance till the next harvest when they are in need, the surplus if any being sold before the next harvest, at a time, when the prices are high.

7. In these circumstances, there appears to be no need for Government to afford any encouragement to grain banks by taking any shares. As a matter of fact, Government are already helping Co-operative Societies working on a cash basis by issuing money-loans to them and there is nothing to prevent such societies from having a grain store also as an adjunct for the benefit of their members when really needed. An actual instance of this kind of bank exists in the Krishikara Sahaya Sangha at Molakalmuru which has both a cash branch and a grain branch.

I have the honor to be,

Sir,

Your most obedient servant,

H. Shama Rao.

REGISTRAR.

B.N.S.

Memorandum on Village Grain Stores in the Mysore State.

I have always understood that the main object of Act X of 1904 of the Government of India is to develop an organization which is to serve as a ready resort to the agriculturists for procuring the credit that they need for the better cultivation of their holdings and for the better utilization to their own profit of the products of their labor. Lord Curzon in his farewell speech at the Byculla Club, apparently had also this feature of the enactment before his mind's eye when he said—" It is the Indian poor, the Indian peasant, the patient, humble, silent millions, the 80 per cent who subsist by agriculture, who know very little of politics but who profit or suffer by their results, and whom men's eyes, even the eyes of their own countrymen, too often forget—to whom I refer. He has been in the back ground of every policy for which I have been responsible, of every surplus of which I have assisted in the disposition. We see him not in the splendour and opulence nor even in the squalor of great cities. He reads no newspapers, for as a rule he cannot read at all ; he has no politics. But he is the bone and sinew of the country ; by the sweat of his brow the soil is tilled ; from his labour comes one-fourth of the national income ; he should be the first and final object of every Viceroy". The first interest of Government, as the ultimate landlord in India, may be said therefore to be centered in developing a system of banking whereby the rural folk may readily obtain the accommodation they need for agricultural and other purposes without having to pay exorbitant rates of interest and with a clear understanding of the transactions whenever they take fresh loans or discharge old ones.

2. The question then is, how are we to proceed in setting up an organization which will be useful to the rural inhabitants of India, whether we are to start from the village as a unit and elaborate a scheme which would ultimately reach Taluk and District centres, or whether we are to work our way from the last two centres and reach the villages. I have found that people at Taluk and District centres are not unwilling to have co-operative institutions in their midst, but their ideas, at any rate in the beginning, do not travel beyond their own immediate profits, and they feel it difficult to conceive that there can be any identity of interests between themselves and the rural people. Even where such identity is perceived, there is more or less reluctance to include as members people belonging to the smaller agricultural classes of villages. For the present purpose, it is unnecessary to inquire into the causes of this reluctance ; I think it is enough to recognise the existence of such feeling and till time and better knowledge are able to work a cure, to adopt other ways of helping the village folk.

3. Fortunately, the villagers themselves are not without resources. In raiyatwari tracts such as may be said to universally exist in Madras, Bombay, Berar and Central India, almost every person in a village owns in his own name some extent of land or has some interest in land. Even where there is a co-sharing body holding the landlord right over the whole village as in Panjab and the United Provinces, I believe—I speak subject to correction—that many of the co-sharers themselves cultivate the land and do not differ in status from the raiyatwari holders as among themselves.

Whatever may be the case, there is always security for the loan advanced to the raiyat and the Sowkars or professional money-lenders have not been slow to benefit by such security. Their capital, however, being inadequate to meet all the wants of the villagers, and as they are not able to keep it in constant circulation, ready accommodation, even when sufficient security is forthcoming is not possible, and among others the present unsatisfactory cultivation of the village lands is to a great extent due to this want of funds on the part of the villagers in the cultivation season. The primary object should therefore be to supplement the Sowkar's capital wherever available with other funds also.

4. In seeking the sources for such funds, I have found that in Mysore the most efficacious source is the village land-holder himself, who is at present an isolated unit, but who can be to a large extent constituted in the course of some years his own banker. To the raiyat, it is always an insuperable obstacle to be asked to furnish capital in cash, if he wishes to join an agricultural bank or a co-operative society. From my observation of village life, I have found that he will readily consent to furnish a quantity of grain, especially if the demand is made in the harvest season, and combination of villagers in this direction will, it is likely, have far reaching effects on village economy.

5. The shades of the old *barabaluti* system, (or the Village Twelve) although at present regarded as a mere name, still linger in the village. The Shanbog (Patwari or Karnam) and the Patel (Lambardar or Manigar) do not now look to the villagers for their remuneration in the shape of a share of the grain harvested annually. The *Toti* (watchman) and the *Talari* (beadle) still eke out a meagre existence on the old system with some show of being able to enforce their right for a share of the grain. There are others however who have not lost their existence in the village autonomy and to whom year after year grain contributions are voluntarily continued. These are the barber, the pot-maker, the carpenter, blacksmith, the washerman, and in some places the Panchanga Brahmin or astrologer. These receive annually a fixed share of the grain, generally from one to ten seers per Khandaga of the yield of grain per house. A grain contribution therefore is not foreign to the minds of the villagers, and I think, an association of villagers pledged to pay a quantity of grain annually as their capital has far better chances of success than if the share-capital is to come in any other shape.

6. To begin with, I think it desirable to select in each taluk two or three villages having each a population of about a thousand or more, and preferably villages where the existing elementary schools have given a smattering of education to the inhabitants. Whatever the shortcomings of these schools or their masters may be at present, my contact with village life, especially during the past six months, when I have visited the villages with an eye to a special purpose, has shown me that education however elementary and however defective, has still some influence in opening the minds of the villagers to new ideas. For instance, some time ago, I visited two villages Bommasandra and Mayasandra, both in the Anekal Taluk of the Bangalore District. While in the latter place where there is a school I found the inhabitants evincing intelligent interest in the scheme I explained to them, in the former I felt that my words fell on minds which were as impervious to them as the stones of the mantap in which we were gathered.

7. Having selected a few villages of the right sort, the next business is to ascertain who the present money or grain lenders are. If they happen to be, according to local ideas, comparatively large capitalists, it is best to discuss the scheme with

them and bring home its advantage to them. My experience of these people is that they are shrewd enough to perceive the advantages of a co-operative scheme, but that they oppose it if they are not taken into confidence and consulted. It may also be necessary to allow some share to them in the management when an association is started. It may be remarked, however, that there are several villages where there are no Sowkars constituting the customary money-lenders of the place, and where the villagers manage to obtain accommodations from any person who has trust in them. There is therefore wide scope for choice, and I have no fear of the scheme collapsing from any opposition on the part of the existing money-lenders, as their influence is not all-pervading.

8. In the villages selected for operation, the next business is to get together as large a gathering of the inhabitants as possible and address them with some previous knowledge of the economic life of the village derived from the village registers and from books of the Registration Department. A proposal for a grain contribution towards capital—which, it should be explained, will belong to each member according to his share and which could be withdrawn when he disconnects himself from the association—generally receives a ready response from the majority of the assembled raiyats, although there will be prolonged discussion and exchange of whispers as regards the exact quantity that each is to contribute per Khandaga or Palla (100 seers) of grain. In assessing the grain contribution it is best to avoid assessing either on the rupee-basis of Kandayam (Government rent) or on the basis of the number of ploughs maintained. In both these cases, the contribution becomes fixed in quantity, but the raiyat, I find, prefers an elastic basis, a basis varying according to the quantity of grain grown by him. This varying contribution will also be in keeping with the existing customary contributions given to the carpenter and others mentioned above.

9. Having ascertained the names of those willing to join the village society, —the fewer the better in the beginning, provided the number is not below the legal limit of ten,—the next object should be to appoint a panchayet generally consisting of from five to nine members, so as to include as many of the intelligent and influential men of the place as possible. In the villages of Mysore, I have found that people of several castes come forward freely to co-operate in institutions where no questions pertaining to caste arise. The nomination of a panchayet should, however, be done in the presence of the assembled members; so that the names may commend themselves to them. The gathering may then be dissolved.

10. The panchayet may then proceed to collect the subscribed grain-capital and store them in a selected grain-pit which can be easily found in a village. They may also frame a few rules of management, which, after being placed before the general body of members, should receive the sanction of the Registrar. Once or twice a week, whenever there are any applications for loans of grain, the quantity required may be lent out according to the rules of the Society. Whenever grain is to be put into the store or taken out of it, it should be so done in the presence of at least two members of the panchayet. A month or two before the next harvest, when the prices are generally high, half the quantity of the total grain collected for the whole year or any other quantity which may be fixed with due regard to the keeping of the grain, etc., may be sold for cash, provided the harvest is assured. Money capital will also thus become more and more available for loans to members, for payment of assessment, for needs of cultivation, or for family purposes. These operations may be repeated year after year, and the store of grain may go on increasing till the quantity kept in stock is fairly sufficient for the maintenance of the members and their families for, say, half the year. This store

will be a provision constantly kept up against the failure or deficiency of any harvest. In other words, while serving as a reserve to raise money capital when necessary, the store will also serve as an insurance against seasonal uncertainties.

11. The accounts to be maintained are a Day-book (Khiradi), a Ledger (Khate) and a File-book of documents which under the concessions granted as to stamp duty will all be on plain paper. In the beginning of every month a return should be compiled showing the quantity of grain in store, or amount of money in hand, the quantities or amounts lent in the previous month, and the names of the individuals to whom they were lent. The return may be prepared in duplicate, one copy being filed in the Taluk cutcherry and another copy sent to the Registrar. The Amildar (Tahisildar or Mamlatdar) may in his tours in the taluk satisfy himself by occasional inspections of the correctness of the entries in the account books. Under section 21 of the Co-operative Act, each Society is entitled to a free audit of the accounts once a year at the hands of the Registrar. The same section also gives power to the Deputy Commissioner or Collector or any person authorized by him in this behalf, to inspect at any time the books, accounts, papers &c., of a Society. To help the panchayet in fixing the amount of loan to be granted to a member, extracts from the Village Khate (Ledger) may usefully be maintained for reference, and the encumbrances on the lands as known from the Registration Department books may also be noted from time to time. The book containing this information will serve as a sort of castelletto in fixing the credit of a member. Other books to be maintained are a register of members and a minute-book.

12. The cost of maintenance will, unless the number of members very largely increases and the transactions become numerous, not be much. The account forms being on the basis of village forms, will be easily understood and a literate person may be employed to write up these accounts for a small annual remuneration or honorarium calculated on the profits of the business. The members of the panchayet need be given no remuneration, at any rate in the beginning,as the work to be done is of a simple nature and will occupy but a very small part of their time. No large establishment for guarding the store is necessary also, as on account of the confined air in the grain-pits when covered, these pits have to be kept open for a number of hours before a person can enter them and take out any grain. The members may be asked to keep an eye on the store by turns and the village watchman may be given a small remuneration for guarding it specially. In fact, each member of the association being himself interested in the store, and considering that on account of its narrow limits every small event becomes known in a village, it will be rare that any unauthorized meddling with the store will occur.

13. Each village store may generally begin as an independent one; but as the number of such stores increases, they will require to be federated to a central association at the Taluk Head Quarters on some such lines as those of the Village Union and the Taluk Boards. While the grain-store may remain in the village, the cash realised may be transferred to the custody of the association at the Taluk Head Quarters, to be dealt with according to the rules which may be framed when the need arises. Ultimately other central organizations federating the taluk associations may also be needed. From what I have seen of village life, I believe that a scheme of the kind I have sketched is more likely to commend itself to the villagers than a more ambitious one from the top radiating to the villages, although attempts in this direction should also be vigorously made. The merit of a village store is its publicity and its simplicity. It

is quite within the comprehension of any ordinary villager and every transaction will be the talk of the place, possibly even before it may actually take place. The store will be under the immediate eye of every member or other person who may happen to pass by it, and accustomed as the villagers are to preserve grain in pits or other receptacles, a store of the kind I have mentioned, will appear to be the safest form in which it can be maintained, as much on account of the ease with which it can be kept up, as on account of the confidence which it is sure to create in the minds of the villagers that the store is not a fraud but that it is started solely for their benefit.

14. The annual general meeting may be held on the Hindu New year's day (Ugadi), or some other day of rejoicing. In course of time, the village associations may, if properly developed, furnish funds for the primary education of its members and others, look to the general sanitation of the village, and in other ways be helpful to the fulfilment of the communal needs. However these are only dreams now, and I think, we may for the present limit ourselves to the work of starting village stores on the lines indicated by me in a few selected places to serve as experiments, and on the strength of the experience thereby gained, guide our future ways. The motto of *festina lente* should be the motto of every village store to be started experimentally, for the chief recommendation of the motto, it is apparent, is the cautious wisdom of its advice.

15. Two stores of the kind described by me have been lately started in two villages in the Mysore State, one at a place called Kotta in the Sira Taluk and the other at a village called Mayasandra in the Anekal Taluk. I append the rules which guide these stores at present. These rules, I may add, explain a few points which could not find mention in the body of the above Memorandum.

H. C. Ramiah Rao

Registrar, Co-operative Societies
in Mysore

Rules of the Grain-Bank Established at Kotta in the Sira Taluk.

Name.

This Bank shall be known as the Kotta Grain-Bank. It will be situate in the Kotta village of the Sira Taluk.

Objects.

2 The objects of the Bank shall be to collect grain and money capital, lend to the members and in other ways help them in the cultivation of their lands or in the pursuit of other materially useful occupations to be approved by the general body of members from time to time.

Membership.

3 Those that wish to become members of this Bank should either be owners of lands belonging to the Kotta village or have some material interest in them.

4 Persons desiring to become members should apply in writing to the President of the Panchayet of the Bank. The Panchayet shall, after such inquiry as may be necessary, either admit or reject the application by a majority of votes.

5 Every person whose application for admission is rejected may appeal against the decision of the Panchayet to the general body of members at a meeting assembled.

6 Persons whose applications for membership are accepted should sign their names or affix their marks to a Register of Members, such signature or mark being attested by a member. The Register shall contain the name, father's name, address and occupation of each member.

7 Every person whose application for membership has been accepted shall pay an entrance donation of four annas.

8 The liability of a past member for the debts of the Bank as they existed at the time when he ceases to be a member shall continue for a period of one year, from the date of ceasing to be a member. Similarly, the estate of a deceased member shall be liable for a period of one year from the time of his decease.

9 A member can resign his membership at any time. In such a case, he will have the right to receive before the next Sivaratri festival the quantity of grain or money standing at his credit, deducting however, any quantity of grain or sum of money due to the Bank.

10 In case of the death of a member, his legal heir may, with the consent of the Panchayet, become a member. In case he does not wish to become a member, or if he is not admitted as a member by the Panchayet, he has a right to receive before the next Sivaratri all grain and money, standing at the credit of the deceased minus whatever is due to the Bank.

11 Nothing contained in Rules 10 and 11 shall be deemed to prevent the Panchayat from making payment earlier than Sivarathri, if sufficient grain or money is on hand and payment can be made without inconvenience to the general interests of the Bank.

Capital.

12 Every member is required to contribute annually, before the Sivarathri, to the capital of the Bank not less than one kolaga (10 seers) of Paddy or Ragi for each Kandy of 200 seers harvested by him.

13 The Panchayet with the previous sanction of the general body of members, at a meeting assembled, may raise a loan of grain or money either from members or from outsiders for any authorized purpose at such rates of interest as may be fixed by the Panchayet.

14 The Panchayat may also receive deposits of grain or money from members and others, to such extent and at such rates of interest as may be authorized by the general body of members from time to time.

Loans.

15 The maximum amount of credit to be allowed to a member shall from time to time be prescribed by the general body of members.

16 Within this limit, every member shall be entitled, according to priority of application, the resources of the Bank permitting, to obtain loan at any time under such conditions as the Panchayat may impose.

17 If a member repays within six months of taking a grain-loan, the rate of interest shall be six ballas per kandy per annum. If the period of repayment exceeds six months, the rate will be two kolagas per kandy per annum. The whole of the loan, whenever taken, is repayable before the next Sivarthri. In case of money loan, the rate of interest shall be two pies per rupee per month.

18 Application for loans must not be in default in respect of any previous loans.

19 No loans shall be given before a duly executed instrument is obtained from the member, with or without sureties, as may be settled by the Panchayet.

20 Absolute punctuality of repayment shall be enforced on pain of such penalty as may from time to time be prescribed by the general body of members.

21 Loans found irrecoverable shall be written off by charging them to the Reserve Fund.

General Meeting.

22 Either on the Hindu New Year's day (Ugadi) or on some other day which may be convenient before the 15th Suddha of Chaitra, a General Meeting of the Members will be held, at which the Panchayet shall present a report of the transactions of the previous year.

Reserve Fund.

23 Of the net profits. i.e., profits remaining after working expenses are deducted, not less than one-fourth as may be determined at the Annual General Meeting, shall be carried to the Reserve Fund. Out of the remainder, dividends may be distributed among the members in such manner as the Panchayet, under the direction of the general body of members, may settle from time to time.

24 No portion of the Reserve Fund shall be utilized for any purpose without the sanction of the Registrar.

25 The year of the Bank shall be the Hindu Samvatsara commencing on the 1st of Chaitra Suddha.

The Panchayat.

26 The Panchayet shall consist of five members one of whom will be the President, to be elected annually at the general meeting. Casual vacancies shall be filled up by the remaining members of the Panchayat till the next election of the Panchayet.

27 The Panchayet shall be vested with the management of the affairs of the Bank.

28 Extraordinary General Meetings may be called whenever the Panchayet needs, or when there is a requisition in writing signed by any ten or more members of the Bank. Whenever a General Meeting is proposed to be called, the purpose for which it is called shall be specified.

29 Notices of General Meetings shall be given to all members at least seven days before the dates of holding such meetings.

30 The quoram for a meeting of the Panchayet shall be three.

31 All questions before a General Meeting or a meeting of the Panchayet shall be decided by a majority of votes, and when votes are equal, the President shall have a casting vote.

32 The Panchayet shall arrange to preserve the grain received either in a grain-pit or in such other manner as may be settled by them.

33 Whenever grain is to be put into the stores or taken out of it, it shall be so done in the presence of at least two members of the Panchayet.

34 The Panchyat may also arrange to sell any surplus grain remaining in the store after making loans, when prices are high. They may also arrange to purchase out of the money so realized any quantity of grain considered necessary, at the next harvest when prices are cheap.

35 No member of the Panchayet shall vote on any application for a loan in which he himself is interested as borrower or surety. The cash funds of the Bank shall remain in the custody of the President and when they exceed a sum of Rs.10 shall be deposited either in the Post Office or Government Savings Bank.

Accounts and Registers.

36 Besides the Register of members, the following account and other books shall be maintained by the Bank :—

1 The Day Book or Khirdi.
2 The Khate or Ledger.
3 The Stock Book.
4 The Minute Book embodying the proceedings of the general body of members and of the Panchayet.

37 In matters not expressly provided for by these rules and in disputed cases, the orders of the Registrar shall be obtained.